Factsheet: Understand the rate

When we look at an exchange rate, we may see a figure such as €1.1617

We may also see “pips” mentioned and might wonder, what are pips?

Looking at the rate above, the pips are the third and fourth digits after the decimal point, in this case, the two digits marked in red below

€ 1.1617

So, to reveal the pips for this figure, replace everything else but the third and fourth digit with noughts.

0.0017